



# Unclaimed Property

Review and Reporting 2012

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# Ever Evolving Unclaimed Property

- “ Unclaimed property is a financial asset that has been abandoned by its owner for an extended period of time. Common examples include:
  - “ Dormant Bank Accounts
  - “ Lost or Forgotten Uncashed Checks
  - “ Stock Certificates and Dividends
  - “ Insurance Policies
  - “ Utility Refunds
  - “ Gift Certificates/Cards
  - “ Safe Deposit Box Contents
  
- “ Any outstanding obligation owed is reportable.

## Where are UP offices?

State Treasurer	35 states (includes D.C.)
Department of Revenue	6 states
Comptroller	4 states
State Lands Board	2 states
Department of Commerce	2 states
Attorney General	1 state
State Auditor	1 state
Department of Financial Institutions	(Puerto Rico)

# Why should you know or care about UP?

- “ Unclaimed Property is about consumer protection.
- “ States are custodians of the property.
- “ States stand in the shoes of the owner.
- “ Money belongs to the people.
- “ Millions of individuals have come forward to claim their funds. In Iowa alone we have returned over \$149 million.

# Unclaimed Property History

- “ In 1954, nationally uniform state laws went into effect creating custodial unclaimed property law. This model act was updated in 1966, 1981 and 1995.
- “ Iowa adopted the Unclaimed Property law in 1967.
- “ The Great Iowa Treasure Hunt was created in 1983 to locate the rightful owners of unclaimed property. Since then we have reunited over 371,000 individuals with their lost assets.

# Great Iowa Treasure Hunt

- “ Goal of the Great Iowa Treasure Hunt is to return the assets to the rightful owners.
- “ The program is not a revenue source for the state.
- “ If we have a name and address our return rate is 65%.

# Texas vs. New Jersey (1965)

- “ Unclaimed property reportable to last known address.
  - “ SDBs reported to state in which bank is located.
- “ If no address, reportable to holder’s state of incorporation.
- “ Texas vs. New Jersey must be followed.



# Holder responsibilities

- “ Report and Remit
- “ Monitor law changes
- “ Perform due diligence
- “ Monitor stale dated checks
- “ Balance the general ledger liability to an unclaimed property database
- “ Iowa -retain documentation at least 4 reporting years
- “ Coordinate external audits
- “ Develop an unclaimed property program/procedure

# Why create an Unclaimed Property Program?

- “ To help ensure compliance.
- “ To maintain good customer relationships.
- “ To improve internal controls.
- “ To establish uniform procedures.
- “ To foster an awareness of unclaimed property rules.

# Creating an Unclaimed Property Program

- “ Include all necessary departments to create a policy
- “ Bring key players together
  - “ Establish who is responsible for unclaimed property compliance
  - “ Define roles of employees

## Checks and Balances

- “ Communicate the policy with all agents involved
  - Protects the property and the company
  - Abandoned property often at risk of becoming embezzled or the victim of fraud
  - Report regardless of property amount
  - Shortcuts put company at risk
- “ Review the company history of reporting

# Is an audit needed to get into compliance?

- “ Voluntary Disclosure Agreement (VDA) Program

  - “ For those companies with complex reporting issues

- “ Amnesty Program until November 1, 2012

- “ More information on both of these programs in Iowa can be found on our website under “Delayed Reporting.”

# Components of a due diligence letter

A Written Notice Should Contain:

- “ What will happen if no action is taken
- “ State is only the custodian
- “ Deadline for contact
- “ Contact information for holder

Allow appropriate time for owner to respond

# Common reporting errors

- “ Not including addresses and other important identifying information (name, address, social security numbers, etc.).
- “ Not including disk or signed coversheet.
- “ Turning over dormant account with active owners.
- “ Sending out due diligence certified mail and deducting the fee.
- “ Report and remittance amount discrepancies.

# Where/when to report for Iowa owners

- “ Reports due November 1
- “ Reports may be submitted online or sent to:

**Treasurer of State  
Unclaimed Property  
PO Box 10430**

**(Physical address) MACN8200-071 800 Walnut St  
Des Moines, IA 50309**

- “ To request an extension, fax (515)281-6962 a written request on company letterhead before the due date

# State responsibilities:

- " Indemnify the holder.
- " Make efforts to locate owners:
  - " Due Diligence Mailings
  - " Publication
  - " Website
  - " Fairs
  - " Outreach
  - " Press releases
- " Determine the rightful owners and pay claims.
- " Act as the custodian of the property.



# What if an owner contacts you after the property has been turned over to the State?

Holder Reimbursement form is used when:

- “ Holder repaid the owner
- “ Holder would like claimant reimbursed
- “ Holder reported in error

The form is available on the Treasurer's website.

Please contact the state prior to repaying the owner to insure we have not already refunded the property.

# Working together

- “ States work together with holders in the name of consumer protection.
- “ We are continuously working to retrieve unclaimed property so that the owners may be made aware of their lost asset.
- “ Visit the NAUPA website ([naupa.org](http://naupa.org)) for other state specific information and websites.